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**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK**

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|---------------------------------|---|---------------------|
| In re | : | Chapter 11 Case No. |
| | : | |
| LEHMAN BROTHERS HOLDINGS, INC., | : | 08-13555 (JMP) |
| <i>et al.</i> | : | |
| Debtors. | : | |

**OBJECTION OF EPCO HOLDINGS, INC. AND ENTERPRISE PRODUCTS
OPERATING, LLC TO DEBTORS' MOTION FOR AN ORDER APPROVING
CONSENSUAL ASSUMPTION AND ASSIGNMENT OF PREPETITION DERIVATIVE
CONTRACTS (DOCKET NO. 2561)**

EPCO Holdings, Inc. ("EPCO Holdings") and Enterprise Products Operating, LLC ("EPOLLC") hereby file this their Objection ("Objection") to the Debtors' Motion For an Order Approving Consensual Assumption and Assignment of Prepetition Derivative Contracts (Docket No. 2561) (the "Motion"). In support of their Objection, EPCO Holdings and EPOLLC respectfully represents as follows.

BACKGROUND

1. EPCO Holdings previously entered into an ISDA Master Agreement with Lehman Brothers Special Financing Inc. ("LBSF") dated as of September 6, 2007 (the "Holdings ISDA").

2. EPOLLC had previously entered into an ISDA Master Agreement with Lehman dated as of March 17, 2004, as amended by that certain Amendment Agreement, dated as of June 29, 2007 (the “EPOLLC ISDA”).

3. In connection with both the Holdings ISDA and the EPOLLC ISDA, Lehman Brothers Holdings Inc. (“LBHI”) agreed to guarantee the obligations of Lehman under the respective ISDA Master Agreements.

4. On September 15, 2008, LBHI filed a voluntary petition for relief under Chapter 11 of Title 11 of the United States Code (the “Bankruptcy Code”) with this Court.

5. On October 3, 2008, LBSF filed a voluntary petition for relief under Chapter 11 of the Bankruptcy Code with this Court.

6. To date, EPCO Holdings has not accelerated the event of default that occurred under the Holdings ISDA when LBHI and LBSF each filed respectively for bankruptcy with this Court and EPCO Holdings has not set an early termination date with respect to the Holdings ISDA. EPCO Holdings reserves all rights to set an early termination date from and after the date hereof with respect to the Holdings ISDA.

7. As of the date hereof, there exists three underlying derivative transactions entered into in connection with the Holdings ISDA by and between EPCO Holdings and LBSF, each dated as of September 7, 2006. Each of these derivative transactions are interest rate swap agreements that were entered into by EPCO Holdings and LBSF in connection with that certain Credit Agreement, originally dated as of August 18, 2005, by and among EPCO Holdings, as borrower, the lenders party thereto, Citicorp North America, Inc., as bank agent and Lehman Commercial Paper Inc., as institutional agent, as amended and restated by that certain Second Amended and Restated Credit Agreement, dated as of August 24, 2007, by and among, EPCO

Holdings, as borrower, the lenders a party thereto, and Citicorp North America, Inc., as administrative agent.

8. EPOLLC and LBSF entered into one derivative transaction, dated November 16, 2004. In accordance with the notice provisions of the EPOLLC ISDA, on November 7, 2008, EPOLLC duly delivered by courier to Lehman an event of default notice specifying an early termination date and a calculation of the amount of loss owed by Lehman to EPOLLC.

OBJECTIONS

9. The Motion purports to apply only to derivative contracts where (a) the parties consent to assignment or (b) the agreements provide for assignment without consent. Neither EPCO Holdings nor EPOLLC consent to assignment of their respective ISDAs at this time. Further, pursuant to Section 7 of the Holdings ISDA and Part V(b) of the EPOLLC ISDA, the agreements cannot be transferred to third parties without consent. Accordingly, the Motion should not apply to the Holdings ISDA or the EPOLLC ISDA, or the transactions thereunder. Counsel for EPCO Holdings and EPOLLC have sought confirmation of the same from Debtors' counsel, but have not yet received it.

10. To the extent that the Debtors contend that the Motion still somehow applies to the Holdings ISDA or EPOLLC ISDA, or transactions thereunder, EPCO Holdings and EPOLLC object to the Motion for all the reasons stated in EPCO Holdings' *Objection to Debtors' Motion For an Order Pursuant to Sections 105 and 365 of the Bankruptcy Code To Establish Procedures For The Settlement or Assumption and Assignment of Prepetition Derivative Contracts* [Docket No. 1866], attached hereto as Exhibit "A," and incorporated by reference herein for all purposes.

CONCLUSION

WHEREFORE, EPCO Holdings and EPOLLC requests that the Court hold that the Motion does not apply to the Holdings ISDA or EPOLLC ISDA or deny the Motion, and grant it all further relief to which it is justly entitled.

Dated: January 23, 2009
New York, New York

/s/ Peter Goodman

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